



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
DARRELL V. MCGRAW, JR.
CONSUMER PROTECTION DIVISION
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Press Release

January 12, 2004

**WHOLESALE AND STATE AGREE TO INJUNCTION IN
STATE EX REL. MCGRAW V. WHOLESALE USED CARS, INC.
COMPANY WILL STOP FINANCING THE SALE OF CARS
UNTIL FURTHER NOTICE**

On Friday, January 9, 2004, the State appeared for a preliminary hearing on its Petition for Preliminary Injunction against Wholesale Used Cars, Inc. (Wholesale). Wholesale is a "buy here – pay here" used car business in Charleston. The suit alleges that Wholesale sold cars that broke down from serious defects shortly after purchase, and Wholesale refused to repair the cars and refused to give consumers back their down payments.

Under the direction of Judge Zakaib, the parties reached an agreement on the Petition for Preliminary Injunction which provides as follows:

1. Wholesale and its owner, Charles Parker, shall post Buyers Guides, as required by the Federal Trade Commission Used Car Rule, on all vehicles that are offered for sale. The Buyers Guides shall have no language which attempts to disclaim the implied warranty of merchantability or any other applicable warranty. In addition, defendants are required to have the form signed by the purchaser.
2. At the time that Wholesale has agreed to sell a vehicle, Parker must take the vehicle to a state inspection station and have it inspected under the West Virginia Safety Inspection Program. If the vehicle does not pass inspection, it shall not be sold. The State and the defendants shall agree on the state inspection station where the vehicles will be inspected.
3. Defendants shall agree to stop financing the sale of cars until such time as it has adopted forms that comply with state and federal law and the West Virginia Attorney General's office has approved those forms.
4. Defendants have agreed to revise all of the sales and warranty documents that they use in connection with the sale of used vehicles so that they comply with state and federal law and shall not use any such new forms until such time as the Attorney General's office has approved those forms.
5. The defendant, his attorney, and the State's attorney will meet to attempt to resolve the complaints of 13 individuals whose complaints have not previously been resolved. The Court indicated that it believed it was unfair for the defendants to retain both the down payments and the vehicles of consumers whose cars failed within the first thirty (30) days. In addition, the Court advised the parties that it will appoint a Special Commissioner to take evidence and make recommendations to the Court for any individual complaints that are not resolved after the meetings between the State and Wholesale.
6. In addition, consumers who have not yet filed a complaint may be included in this process of individual negotiation until such time as a final order is entered in the case. Consumers who have purchased a vehicle from Wholesale and have a complaint, may file it by obtaining a complaint form from the Attorney General's office.

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